

VZCZCXYZ0007
RR RUEHWEB

DE RUEHNC #0323/01 1061025
ZNR UUUUU ZZH
R 161025Z APR 07
FM AMEMBASSY NICOSIA
TO RUEHC/SECSTATE WASHDC 7735
INFO RUCPDOC/USDOC WASHDC
RUEHBS/USEU BRUSSELS
RUEHTH/AMEMBASSY ATHENS 3838
RUEHAK/AMEMBASSY ANKARA 4927
RUEHFR/AMEMBASSY PARIS 0602
RUEHLO/AMEMBASSY LONDON 1292
RUEHVI/AMEMBASSY VIENNA 0502
RUEHRL/AMEMBASSY BERLIN 0695
RUEHBK/AMEMBASSY BANGKOK 0594

UNCLAS NICOSIA 000323

SIPDIS

SENSITIVE

SIPDIS

DEPT FOR EB/IPC AND EUR/SE

DEPT PLS PASS TO USTR, USPTO AND LOC

E.O. 12958: N/A

TAGS: [KIPR](#) [ECON](#) [ETRD](#) [EUN](#) [CY](#)

SUBJECT: CYPRUS: IPR WORKSHOP IN TURKISH CYPRIOT COMMUNITY
HIGHLIGHTS NEED FOR STRONG IPR ENFORCEMENT

REFS: A) Nicosia 153 B) 05 Nicosia 1855

(U) This cable is sensitive but unclassified. Please protect accordingly.

¶1. (SBU) Summary: Around 25 Turkish Cypriots professionals, members of Turkish IPR NGOs, representatives of international business associations and leading Turkish Cypriot and Greek Cypriot IPR lawyers discussed ways to improve IPR enforcement in the Turkish Cypriot community during a March 30 seminar co-sponsored by the U.S. Embassy and the Turkish Cypriot Chamber of Commerce. Currently, Turkish Cypriot legislation on IPR is spotty and antiquated (dating to the UK Colonial era) and rarely enforced. Piracy is well-established and accepted. Pirated CDs and DVDs, as well as counterfeit merchandise, are the norm. As a result of the seminar, a major Turkish IPR NGO committed to doing public outreach in the Turkish Cypriot community and the Turkish Cypriot Chamber of Commerce promised to lobby for modern IPR legislation. The workshop followed a similar seminar sponsored by the Embassy in the Turkish Cypriot Community in November 2005. (Note: the U.S. does not recognize the self-proclaimed "Turkish Republic of Northern Cyprus." To reflect this, any references to "TRNC" bodies are placed in quotation marks. End note.) End Summary.

First Seminar on IPR in north Cyprus

¶2. (SBU) On March 30, the Embassy's Economic and Commercial Section and the Turkish Cypriot Chamber of Commerce organized a workshop on IPR issues in the area of Cyprus administered by Turkish Cypriots. (Septel will report on a larger seminar that was held March 29 in the government-controlled area.) The seminar attracted over 25 professionals including the leadership of the Turkish Cypriot Chambers of Commerce and Industry, officials from the Turkish Cypriot "Registrar's office" who are drafting new trademark legislation, and leading Turkish Cypriot, Turkish and Greek Cypriot IPR lawyers. A Greek sportswear representative was also in attendance.

¶3. (SBU) The Ambassador opened the event by highlighting the advantages to the Turkish Cypriot Community of strong IPR enforcement. A main theme of his remarks was that weak IPR enforcement was not a result of Turkish Cypriot economic isolation but a contributing factor to this isolation.

¶ 4. (SBU) Moderator and leading Turkish Cypriot IPR lawyer Sefika Durduran noted that the Turkish Cypriot Community had made little progress on IPR enforcement since our November 2005 conference. Judges were more sensitive to IPR issues, the Turkish Registrar's office had provided training to its Turkish Cypriot counterpart, and the Turkish Cypriot authorities had begun drafting a new trademarks law. Nevertheless, the authorities have yet to introduce any new IPR legislation to replace the current spotty laws on IPR, most of which dated back to UK colonial times.

¶ 5. (SBU) Durduran reported that it was almost impossible to find non-pirated CDs, DVDs, or software on the market. Local manufacturers produced pirated sportswear and jeans. Other counterfeit items flood in unhindered from abroad. Local TV paid no royalties or licensing fees, even to local artists. The manager of a local cinema noted that his business was severely undercut by local TV stations that often broadcast new movies, not to mention the local DVD shops that would sell pirated tapes of films the instant they hit the cinemas anywhere in the world. All of this was preventing the Turkish Cypriot entertainment and software industries from developing, inhibiting innovation and discouraging foreign investment.

¶ 6. (SBU) UK High Commission officer and former IPR lawyer David Reed outlined EU IPR legislation, which the Turkish Cypriot Community will be required to meet as soon as there is a settlement and the Turkish Cypriot Community joins the EU as part of a united Cyprus. Participants noted that this would come as a big shock to many Turkish Cypriot businesses and there was no reason to wait for a settlement before implementing these norms. Business Software Alliance spokesman Aly Harakeh from Lebanon outlined the benefits of strong IPR enforcement to economic development and noted that international professional associations are willing to help the

Turkish Cypriot Community improve its IPR record.

¶ 7. (SBU) Ahmet Asena Secretary General of the Turkish Professional Association for Phonogram Makers (Mu-Yap -- the Turkish AFPI affiliate) and Vehbi Kahveci from the Turkish Association of Registered Trademarks briefed the group on IPR improvements in Turkey. Turkey now has sound IPR legislation. Due to weak enforcement, however, Turkey does not yet meet U.S. or international IPR standards. As a result, Turkish businesses lose over USD 4.5 billion annually. Nevertheless, Turkish legislation could serve as a model for the Turkish Cypriot Community. Turkish Cypriot piracy was also having a negative effect on Turkey through illegal retransmission of Turkish Cypriot television and the widespread copying and sale of Turkish music and films.

¶ 8. (SBU) Asena also noted in private that our invitation to participate in the seminar had prompted Mu-Yap to decide to visit the Turkish Cypriot community for the first time. Mu-Yap was now committed to becoming active in the Turkish Cypriot community. Asena and other representatives of Mu-Yap had spent the day prior to the workshop lobbying key members of the Turkish Cypriot administration, several of whom they knew personally from university. Asena also noted the possibility of bringing Turkish music and film stars to the Turkish Cypriot community either as part of a public awareness campaign or to personally lobby key Turkish Cypriot decision-makers. Turkish representatives of several international sportswear firms also expressed interest in engaging the large Turkish student population present in north Cyprus.

¶ 9. (SBU) A leading Greek Cypriot lawyer gave a presentation on the IPR situation in the government-controlled area of Cyprus. Republic of Cyprus legislation was another model the Turkish Cypriots could adopt. The Greek Cypriot legislation was particularly relevant as it was adopted and updated from the same British colonial legislation that the Turkish Cypriot community is currently using. We noted a third model was the nine IPR-related laws that formed part of the Annan plan and which had been negotiated by the Annan-plan era bicultural technical committees. In short, model legislation existed. The Turkish Cypriot community now needed to demonstrate the political will to adopt, implement and enforce these laws. President of the Turkish Cypriot Chamber of Commerce Erdil Nami committed to lobby the authorities in favor of stronger IPR laws.

Comment:

¶10. (SBU) The low turnout -- only around 25 people -- was disappointing and indicative of the challenge of introducing strong IPR enforcement to the Turkish Cypriot community. Unlike the seminar in November 2005, those who did attend were already convinced of the merits of strong IPR, and thus we avoided focusing exclusively on why IPR is important -- the issue that dominated our first seminar. The audience, however, was not very representative of Turkish Cypriot society as a whole. Those who favor stronger IPR laws are a small minority, and most Turkish Cypriots have no qualms about purchasing or illegally copying intellectual property. Nevertheless, several positive developments emerged from the workshop:

-- We again put IPR in the Turkish Cypriot Community on the agenda and highlighted the need for change.

-- A major Turkish IPR NGO is now active in the Turkish Cypriot Community and will continue to lobby for positive changes. This may include the use of Turkish music and film stars.

-- The President of the Turkish Cypriot Chamber of Commerce is on record as not only supporting stronger IPR legislation and enforcement but as being willing to lobby for it.

-- Turkish Cypriots, Turks, Greek Cypriots and a Greek were all willing to sit around the same table to discuss ways to improve the IPR environment.

-- Leading Turkish Cypriot and Greek Cypriot IPR lawyers now know each other and have shown a willingness to cooperate toward a better IPR environment island-wide.

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